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The opinion of the Circuit Court of Appeals (R. 1019) is officially reported in 122 F. (2d) 182.

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1941.

No.

THE MAYTAG COMPANY and MAYTAG SALES CORPORATION,

Petitioners,

vs.

THE APEX ELECTRICAL MANUFACTURING COMPANY,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable Harlan F. Stone, Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States.

Your petitioners respectfully show:

I.

Summary Statement of Matter Involved.

Petitioners (defendants below) seek a review of a judgment of the Seventh Circuit Court of Appeals entered (R. 1033) June 17, 1941 (petition for rehearing denied September 11, 1941, R. 1049). That judgment affirmed a judgment of the District Court of the United States for the Southern District of Indiana (Indianapolis Division), adjudging claims 3, 5, 8, 9, 10 and 11 of the expired Eden patent No. 1,408,869 (R. 814), issued March 7, 1922 (application filed in August, 1917), on so-called improvements in a wringer for washing machines, valid and infringed by the swinging wringers of The Maytag Company's washing machines, Models 10 and 110 (P. E. A., B), and directing an accounting of profits and damages (R. 764-5). No injunctive relief was granted as the patent had expired more than a year before the judgment of the District Court was entered.

Respondent did not acquire the Eden patent until April, 1934 (R. 761), about seven years after the accused machines were put on the market, more than twelve years after it was issued, and nearly seventeen years after the filing of the application upon which it was granted. Respondent did not purchase the Eden patent until some ten months after it had acquired one of the accused machines (P. E. A.).

While respondent gave notice of infringement within a few months after it acquired the Eden patent and shortly thereafter asserted it in a counterclaim against The Maytag Company in a then pending suit brought by the latter on a "swinger wringer" license, upon dismissal of the suit following a settlement of the controversy over the license, respondent on February 14, 1935 dismissed its

counterclaim without prejudice and thereafter made no further representation or claim of infringement of the Eden patent against either of the petitioners until November 25, 1936, a year and ten months later, when it first notified Maytag Sales Corporation of infringement (R. 534). The bill of complaint in this suit was not filed until December 7, 1936, and the Eden patent expired before it was tried. During all that time, from 1927 on, respondent knew of the accused machines and of their extensive sale (R. 104).

The Eden patent* relates solely to an interlocking device added to an old, two-handle wringer control mechanism for preventing operation of the wringer while it is being swung from one position to another by the operator. This device involves merely the specific positioning of a common spring-pressed pin between an old, peripherally flanged, grooved clutch for controlling the operation of the wringer rolls, and the handle of a previously well-known form of latch for locking the wringer in positions of adjustment.

Although respondent's predecessors in title were engaged in making and selling washing machines equipped with swinging wringers and were licensed by The Maytag Company and marked their machines under its "swinging wringer patents" (R. 571, 588, D. E. 67, 69), the record fails to show that the interconnecting or interlocking mechanism of the Eden patent was ever made, sold or used, or that any machine was ever marked under that patent prior to the time when respondent acquired it (R. 132).

The accused Maytag construction* was introduced in September, 1927 as a part of a newly designed wringer control mechanism, one of the features of which was a single handle control of the wringer (R. 232, 225). It has no grooved, peripherally flanged slidable clutch or any

* See diagrammatic sketch in Appendix.

of the other essential Eden features or any equivalent thereof.

It is only by interpreting the word "means" and other functional statements of the asserted Eden claims broadly enough to cover any kind of mechanism for preventing "adjustment of the wringer while it is under operation of the power drive" that any of them can be read on the Maytag wringers charged to infringe.

Notwithstanding respondent's predecessors in title knew of the extensive manufacture and sale of the accused devices from 1927 on during a period of nearly seven years (longer than the statutory limitation on the bringing of actions for infringement, U. S. C. Tit. 35, Sec. 70) and were in close relationship with The Maytag Company (R. 126-9, 221-6), they gave no notice and made no claim that the Eden patent was being infringed (R. 130-1, 135, 126, 221-6).

Prior to the decisions below, the Eden patent had been held valid and infringed by the District Court for Connecticut (Judge Thomas) in *Apex Co.* v. *Landers, Frary & Clark,* 21 F. Supp. 241, but an appeal and decision by the Second Circuit Court of Appeals as to that patent were averted by the acceptance in settlement of the suit as to it of the nominal sum of $1500 (R. 110, 430). Overlooking substantial differences in the issues and proof in the two cases, the decision in the *Landers* case was much relied on by respondent and the lower courts in the instant case.

It is unlikely, in view of the fact that the Eden patent has expired, that there will be any other litigation out of which a conflict of decisions with respect to it between different Circuit Courts of Appeals might arise.

In both the Court of Appeals and the District Court, the contested issues included:

(1) Whether respondent is barred from any recovery of profits or damages (or other relief) under

the expired Eden patent because of the laches of its predecessors in title in failing to give any notice of or otherwise assert a claim of infringement of that patent against defendants' swinging wringer involved in this suit for a period of seven years (1927 to 1934), knowing during all that time that this structure was being extensively advertised, sold and used throughout the United States, and because of its own lack of diligence in pressing its claim (R. 86, 761, 771).

(2) Whether the asserted claims of the Eden patent are each invalid:

. . . Because the only feature of each of these claims which affords any basis for even a pretense of novelty, *i.e.*, positioning an interlocking or interconnecting means between two old and well known movable parts of a swinging wringer (a mere matter of ordinary mechanical skill), is stated in functional language; . . . (R. 765-9).

(3) Whether the asserted claims, containing a functional statement at the sole point of novelty, can be so interpreted as to cover a device radically different from that shown in the drawings and described in the specification simply because the functional language embraces a common result (R. 66, 71, 765, 767, 769, 770).

The Court of Appeals failed to appreciate that a question of law only was involved and declined to review the finding of the trial court (R. 761) that respondent was not barred by laches from maintaining its action because it and its predecessors in title to the Eden patent in suit had no knowledge that the petitioners were infringing this patent until after the purchase of it by respondent, saying (R. 1025):

"These were all questions of fact and were sharply

> contested. There was substantial evidence in support of the lower court's finding and we cannot disturb it."

Contrary to the statement of the Court, petitioners submit that there was no substantial evidence to support the lower court's finding on the issue of laches, and no question of credibility of witnesses involved; therefore, FRCP 52 (a) does not apply.

The only evidence supporting the adverse finding of the trial court on the issue of laches is a statement of the witness Hess, the president of an antecedent owner of the Eden patent, whose job it was to have taken care of any infringement. He testified, in answer to a leading question put by counsel for respondent, that he did not know that "the Eden patent was *being infringed* by The Maytag Company" (R. 123-124), obviously a mere conclusion of law. But other testimony of the same witness very clearly shows that he *did know* that the accused machine was being extensively advertised, sold and used and was easily accessible to him from 1927 on during a period of seven years, and that in the circumstances he was under an obligation to ascertain whether the Eden patent was *being infringed* and, if it was, to assert a claim of infringement against The Maytag Company (R. 130-1, 135; 222-3, 225, 236-8, 600; D. E. 73). Thus the issue of laches became a question of law solely, unaffected by FRCP 52 (a), which it was the duty of the Court of Appeals itself to determine independently of the finding and conclusion of the District Court.

The District Court (R. 760) sustained the validity of the claims of the Eden patent in suit without specifically ruling upon the question of functionality embraced in the second contested issue. But the Court of Appeals (R. 1022) considered this question and determined it adversely to petitioners on the previous rulings of that court in *Gil-*

christ Co. v. *Kar-Lac Co.*, 29 F. (2d) 153, and *Research and Development Corporation* v. *Chase*, 88 F. (2d) 353. These it regarded as based on *Continental Paper Bag Co.* v. *Eastern Co.*, 210 U. S. 405, decided in 1908. This was done without discussion or apparent consideration of the decision of this Court thirty years later (1938) in *General Electric Co.* v. *Wabash Co.*, 304 U. S. 364, 371, inhibiting the employment in a patent claim of functional language at the exact point of novelty, which was called to the attention of the Court of Appeals, and petitioners submit, should have controlled the determination of this issue on the record.

With respect to the third contested issue, that of infringement, the Court of Appeals instead of independently determining that question of law felt itself obliged to adhere to the finding of the trial court that the accused construction was the equivalent of the device of the Eden patent, saying in part (R. 1025):

> "There was certainly substantial evidence to support this conclusion, and though we might not agree with the trial court, yet we are not privileged to disturb its conclusion in this respect, for findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses, Rule 52 of the Federal Rules of Civil Procedure; *General Motors* v. *Swan Co.*, 44 F. (2d) 24; *Stevens* v. *Schmid, Inc.*, 73 F. (2d) 54."

The Court of Appeals also declined to apply the ruling of this Court in *Miller* v. *Eagle Mfg. Co.*, 151 U. S. 186, 208, saying (R. 1025):

> "It is argued by appellants that in *Miller* v. *Eagle Co.*, 151 U. S. 186, it was held that interchangeability is a test of infringement, but under the facts there present we think it is clear the Court referred to functional rather than physical interchangeability. This would seem to be true in the light of more recent

decisions. *Continental Co.* v. *Eastern Co., supra; Hildreth* v. *Mastoras,* 257 U. S. 27; *Eibel Co.* v. *Paper Co., supra;* and *Sanitary Co.* v. *Winters* 280 U. S. 30."

In so holding the Court of Appeals departed from the decision of this Court in *Singer Manufacturing Co.* v. *Cramer,* 192 U. S. 265, 275, to the effect that the rule which is incorporated in FRCP 52 (a) is not applicable where the question of infringement is one of law determinable from mere comparison of the respective structures, as in this case, and sanctioned a test of infringement contrary to that of *Miller* v. *Eagle Mfg. Co.,* 151 U. S. 186, 208, namely, interchangeability of the specific devices in question, or as applied in *Westinghouse* v. *Boyden Co.,* 170 U. S. 537, 570, substantial identity of means as distinguished from mere identity of function or result.

Questions Involved.

1. Whether in an action for equitable relief, upon proper assignment of error, FRCP Rule 52 authorizes a Circuit Court of Appeals to refuse its independent determination of—

   (a) an issue of laches, where the District Court's finding on that question depends solely upon the legal effect of testimony, no question of credibility being involved?

   (b) an issue of patent infringement, a question of law determinable from mere comparison of structures and not depending upon the credibility of any witness?

2. Whether the claims of the Eden patent in suit are invalid under *General Electric Co.* v. *Wabash Co.,* 304 U. S. 364, 371, inhibiting the employment in a patent claim of functional language at the exact point of novelty?

3. Whether a federal court of equity may lend its aid to the enrichment of a late, speculative purchaser of a patent for an invention lacking in commercial background and which expired before trial, in an action for infringement, where it appears that its predecessor in title gave no notice and made no claim of infringement, although it knew of the extensive advertising, manufacture and sale of the accused devices for a period exceeding the statutory period of limitation, and plaintiff was not diligent in asserting and prosecuting a claim of infringement?

4. Whether the asserted claims of the patent in suit are infringed by the accused devices under *Miller* v. *Eagle Mfg. Co.*, 151 U. S. 186, 208, and other cases limiting the scope of claims of such functional character to the specific devices shown in the drawings and described in the specification of the patent?

II.

Reasons for Granting the Writ.

1. In refusing its independent determination of the issues of laches and infringement in this case, which on the record are issues of law, not of fact, upon the supposed authority of FRCP 52 (a), the Court of Appeals has in effect denied petitioners a review of important questions of law properly presented by the record on appeal and thereby so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

2. The Court of Appeals departed from *Singer Manufacturing Co.* v. *Cramer*, 192 U. S. 265, 275, in invoking FRCP Rule 52 (a) against independent determination by it of the issue of infringement, the question being one of law determinable from mere comparison of the respective

structures and not depending upon the credibility of any witness.

3. The decision of the Court of Appeals sanctions a test of patent infringement in conflict with *Miller* v. *Eagle Mfg. Co.*, 151 U. S. 186, 208, *Westinghouse* v. *Boyden Co.*, 170 U. S. 537, 570, and other decisions of this Court.

4. The opinion of the Court of Appeals in relying upon *Continental Paper Bag Co.* v. *Eastern Co.*, 210 U. S. 405, and its own previous rulings based thereon, as supporting its decision upholding the validity of the claims of the Eden patent in suit notwithstanding the repeated contentions of petitioners that they are invalid under *General Electric Co.* v. *Wabash Co.*, 304 U. S. 364, 371, inhibiting the employment in a patent claim of functional language at the exact point of novelty, indicates misapprehension or confusion with respect to this important rule of law and decisions of this Court pertaining thereto which should be clarified by this Court.

5. The Eden patent in suit has expired and the only other suit upon it was settled for a nominal sum before appeal. It is unlikely therefore, that any conflict of decision among Circuit Courts of Appeals affecting the issues in this case will arise. Unless this Court grants the writ now sought, the decision in the instant case will not only become a precedent in conflict with applicable decisions of this Court upon important questions of federal procedure, of laches, and of the substantive law of patents, but will result in great inequity to petitioners.

6. In affirming the judgment of the trial court and thus lending its aid to the enrichment of a late, speculative purchaser of a patent for an invention lacking in commercial background, and which expired before trial, where it appeared that its predecessors in title had given no notice and made no claim of infringement although know-

ing of the defendants' extensive advertising, manufacture and sale of the accused devices for a period of nearly seven years and exceeding the statutory period of limitation, the Court of Appeals has determined an important question of federal law in conflict with applicable decisions of this Court and other Circuit Courts of Appeals.

Wherefore, petitioners pray that a writ of certiorari issue under the seal of this Court directed to the United States Circuit Court of Appeals for the Seventh Circuit, sitting at Chicago, Illinois, commanding said Court to certify and send to this Court on a day to be designated, a full and complete transcript of the record and all proceedings of the said Circuit Court of Appeals had in the case numbered and entitled on its docket No. 7394, *The Apex Electrical Manufacturing Company, Plaintiff-Appellee,* v. *The Maytag Company and Maytag Sales Corportaion, Defendants-Appellants,* to the end that this cause may be reviewed and determined by this Court; that the judgment therein of the Circuit Court of Appeals be reversed by this Court, and the cause remanded to that Court with directions to reverse the judgment of the District Court and for such other and further relief as this Court may deem proper.

WALLACE R. LANE,
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